
THE CITY OF LINCOLN, NEBRASKA

ORDINANCE NO. _____

(Passed _____, 2011,

Approved _____, 2011)

Authorizing Not to Exceed

\$21,000,000

**THE CITY OF LINCOLN, NEBRASKA
EDUCATIONAL FACILITIES REVENUE AND REFUNDING BONDS
(NEBRASKA WESLEYAN UNIVERSITY PROJECT)
SERIES 2012**

THE CITY OF LINCOLN, NEBRASKA

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LINCOLN, NEBRASKA (THE "CITY") AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF EDUCATIONAL FACILITIES REVENUE AND REFUNDING BONDS (NEBRASKA WESLEYAN UNIVERSITY PROJECT) SERIES 2012 IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$21,000,000 (THE "BONDS") FOR THE PURPOSE OF (1) PROVIDING FUNDS FOR DEFRAYING THE COST OF THE ACQUISITION, CONSTRUCTION AND PURCHASE OF CERTAIN CAPITAL IMPROVEMENTS TO THE CAMPUS OF NEBRASKA WESLEYAN UNIVERSITY (THE "UNIVERSITY") LOCATED IN LINCOLN, NEBRASKA, (2) REFINANCING CERTAIN OUTSTANDING INDEBTEDNESS OF THE UNIVERSITY (COLLECTIVELY, THE "PROJECTS"), (3) FUNDING A DEBT SERVICE RESERVE FUND AND (4) PAYING CERTAIN EXPENSES OF SUCH BOND ISSUE, WHICH BONDS AND THE INTEREST THEREON SHALL BE PAYABLE SOLELY FROM THE REVENUES PLEDGED TO THE PAYMENT OF SAID BONDS; MAKING FINDINGS AND DETERMINATIONS WITH REFERENCE TO THE PROJECTS AND THE BONDS; GRANTING PUBLIC APPROVAL WITHIN THE MEANING OF SECTION 147(F) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AUTHORIZING THE SALE OF SAID BONDS; APPROVING AND AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST, A LOAN AGREEMENT AND OTHER RELATED DOCUMENTS; DETERMINING THAT SAID BONDS SHALL NOT BE A LIABILITY OF THE CITY NOR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS; PROVIDING THAT THE INVALIDITY OF ANY PART OF THIS ORDINANCE SHALL NOT AFFECT THE REMAINDER; INCORPORATING WITHIN THIS ORDINANCE THE PROVISIONS OF CHAPTER 13, ARTICLE 11, OF THE NEBRASKA REISSUE REVISED STATUTES, AS AMENDED; APPROVING AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT WITH RESPECT TO THE BONDS; AND OTHER RELATED MATTERS.

WHEREAS, the City of Lincoln, Nebraska (the "Issuer") is authorized and empowered by the provisions of the Chapter 13, Article 11, of the Nebraska Reissue Revised Statutes, as amended (the "Act"), to finance or refinance projects, as that term is defined in the Act, including, among other things, any land, building, or equipment or other improvement, and all real and personal properties deemed necessary in connection therewith, which shall be suitable for use as a nonprofit enterprise or the refinancing of outstanding debt of a nonprofit enterprise incurred to finance such land, building, equipment, improvement, or other properties, except that a project under this subdivision shall not include any portion of such land, building, equipment, improvement, or other properties or the refinancing thereof to the extent used for sectarian

instruction or study or devotional activities or religious worship, and to issue its revenue and refunding bonds for the purpose of defraying the cost of acquisition, construction or purchase of any such projects or refinancing such projects; and

WHEREAS, pursuant to a Notice of Public Hearing, duly published in the *Lincoln Journal-Star* on November 28, 2011, the City Council of the Issuer (the "Council") conducted a public hearing on December 12, 2011 pursuant to and in compliance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended ("Code"), at which all interested parties were given an opportunity to express their views orally or in writing for or against the proposed issuance in one or more series pursuant to a plan of financing of not to exceed \$21,000,000 aggregate principal amount of the Issuer's educational facilities revenue and refunding bonds to finance or refinance the acquisition, constructing, improving and equipping of "projects" consisting of certain higher education facilities (collectively, the "Projects") at the Nebraska Wesleyan University campus in Lincoln, Nebraska; and

WHEREAS, Nebraska Wesleyan University, a Nebraska nonprofit corporation (the "University"), has requested the Issuer to issue one or more series of such educational facilities revenue and refunding bonds, in the aggregate principal amount not to exceed \$21,000,000, to finance or refinance costs of the acquisition, construction and purchase of certain capital improvements to the University's main campus located within the corporate boundaries and the jurisdiction of the Issuer; and

WHEREAS, the Issuer has determined to proceed with the issuance and sale of The City of Lincoln, Nebraska, Educational Facilities Revenue and Refunding Bonds (Nebraska Wesleyan University Project) Series 2012 in the aggregate principal amount not to exceed \$21,000,000 (the "Bonds") to finance the costs of the Projects pursuant to the authorization of the Act and to lend the proceeds from the sale of the Bonds to the University on the terms and conditions set forth in that certain Loan Agreement by and between the Issuer and the University, to be dated as of January 1, 2012 (the "Loan Agreement"), substantially in the form submitted to the Council, for the purpose of financing the cost of the Project in furtherance of the purposes set forth in the Act; and

WHEREAS, the principal of and interest on the Bonds are to be payable solely from the loan payments from the University under the Loan Agreement and the other funds pledged therefor and are not general obligations of or a pledge of or charge against the general credit or the taxing powers of the Issuer; and

WHEREAS, there has been submitted to the Council a proposed Trust Indenture to be dated as of January 1, 2012 (the "Indenture") pursuant to which the Bonds will be issued, by and between the Issuer and Union Bank & Trust Company, as Trustee (the "Trustee"), substantially in the form submitted to the Council; and

WHEREAS, there has been submitted to the Council a proposed Bond Purchase Agreement (the "Purchase Agreement"), to be dated as of the date the terms of sale of the Bonds are confirmed, among the Issuer, the University and Ameritas Investment Corp. and RBC Capital Markets, LLC (collectively, the "Underwriters"), whereby the Issuer offers to sell the Bonds and

the Underwriters propose to make a bona fide public offering of the Bonds, substantially in the form submitted to the Council; and

WHEREAS, there has been submitted to the Council the form of a Preliminary Official Statement (the "Preliminary Official Statement"), which the Underwriters plan to use as the preliminary offering document in connection with the offering and sale of the Bonds;

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LINCOLN, NEBRASKA:

ARTICLE I

LEGAL AUTHORIZATION; FINDINGS

Section 1.01. Legal Authorization. The Issuer is a body corporate and politic duly organized and existing as a city of the primary class under the Constitution and laws of the State of Nebraska (the "State") and is authorized under the Act to issue and sell its educational facilities revenue and refunding bonds pursuant to the provisions of the Act.

Section 1.02. Findings. The Council has heretofore found and determined, and does hereby find and determine, as follows:

(a) The loan of the proceeds of the Bonds by the Issuer to the University pursuant to the terms of the Loan Agreement to finance the cost of the Projects is in furtherance of the purpose set forth in the Act.

(b) The Projects are eligible "projects" as defined in the Act.

(c) The Issuer has been advised by the University that the estimated cost of the Projects (including, but not limited to, construction costs, refunding outstanding indebtedness, costs of issuance and net original issue discount), funding a debt service reserve and paying the cost to issue the Bonds is not less than Twenty-One Million Dollars (\$21,000,000).

(d) The proceeds of the sale of the Bonds are to be loaned to the University pursuant to the Loan Agreement. The amount necessary to pay the principal of, premium, if any, and interest on the Bonds, in the principal amount not to exceed \$21,000,000, is the same as the loan payments required to be paid by the University under the Loan Agreement. The Bonds will not constitute an indebtedness or obligation as to which the faith and credit of the State, the Issuer or any other political subdivision of the State are pledged, but are limited obligations of the Issuer, which will be obligated to pay the principal of, premium, if any, or interest on the Bonds only from payments made to the Issuer under the Loan Agreement and other amounts pledged therefor. The Bonds shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or its taxing power.

(e) The University has agreed to fund the Debt Service Reserve Fund by the deposit of cash or a surety bond in an amount equal to the maximum amount permitted under the applicable federal income tax law and as provided in the Indenture.

(f) The University has agreed to grant to the Trustee a first mortgage lien on and a security interest in certain real property of the University pursuant to a Deed of Trust and Security Agreement dated as of January 1, 2012 (the "Deed of Trust").

(g) The Loan Agreement provides that the University shall maintain the Projects and carry all proper insurance with respect thereto and shall pay taxes, if any, with respect to the Projects.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF THE BONDS

Section 2.01. Issuance of Bonds. In order to provide funds for the financing or refinancing of the cost of the Projects, the Issuer hereby authorizes the issuance of one or more of the following series of educational facilities revenue and refunding bonds, under the Act, in substantially the form attached to the Indenture, to be designated The City of Lincoln, Nebraska, Educational Facilities Revenue and Refunding Bonds (Nebraska Wesleyan University Project) Series 2012 in the principal amount not to exceed Twenty-One Million Dollars (\$21,000,000). The Bonds shall be issued with such terms and provisions as set forth in the Indenture. The Bonds are hereby authorized to be sold to the Underwriters on the terms and conditions set forth in the Purchase Agreement.

Section 2.02. Public Hearing. At the public hearing conducted on December 12, 2011 by the Council regarding the proposal of the Issuer to issue the Bonds for the purpose of paying the costs of the Projects, all interested parties who desired to do so were given the opportunity to express their views orally and in writing for or against the proposed Bond issue and Projects. The Council has considered all oral and written statements which were made or filed for or against the proposed Bonds, and hereby determines that the proposed issuance by the Issuer of the Bonds, for the purposes set forth in the Notice of Public Hearing and described in the preamble hereof, is in the best interest of the Issuer and the same is hereby approved in accordance with the public approval requirements of Section 147(f) of the Code.

ARTICLE III

AUTHORIZATION TO EXECUTE DOCUMENTS

Section 3.01. Approval and Authorization of Documents. The Indenture, the Loan Agreement and the Purchase Agreement, in the form and content presented to the Council on this date, be and the same are in all respects hereby approved, authorized and confirmed, and the Mayor, the Chair or the Vice Chair of the Council, the City Finance Director, the City Treasurer or the City Clerk, or any Deputy, of the Issuer are each hereby authorized and directed to execute, seal and deliver, for and on behalf of the Issuer, the Indenture, the Loan Agreement and the Purchase Agreement in substantially the forms and contents as presented to the Council on

this date, subject to the approval of the City Attorney of the Issuer, but with such changes, modifications, additions and deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their and the Issuer's approval of any and all changes, modifications, additions and deletions from the forms thereof as before the Council.

Section 3.02. Approval and Authorization of Official Statement. That the Issuer hereby authorizes and approves the Underwriters' distribution and use of the Preliminary Official Statement, which is hereby deemed "final" as of its date within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for certain omissions permitted by said Rule 15c2-12). The Preliminary Official Statement shall be in substantially the form now before the Council, but with such changes therein as shall be approved by the Mayor, the Chair or the Vice Chair of the Council or the City Finance Director, the delivery of the Preliminary Official Statement to constitute conclusive evidence of the Issuer's approval of all changes or revisions therein from the form now before this meeting. The Issuer hereby also authorizes and approves the distribution of the Official Statement. The Official Statement shall be in substantially the form of the Preliminary Official Statement now before the Council, but with such insertions and changes therein as shall be approved by the Mayor, the Chair or the Vice Chair of the Council or the City Finance Director, the delivery of the Official Statement to constitute conclusive evidence of the Issuer's approval of all changes, insertions or revisions to the form of Preliminary Official Statement now before this meeting.

Section 3.03. Authority to Execute and Deliver Additional Documents. The Mayor, the Chair or the Vice Chair of the Council, the City Finance Director, the City Treasurer, the City Clerk and other appropriate Issuer officials are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any and all additional certificates and documents which may be required under or contemplated by the terms of the Indenture, the Loan Agreement, the Purchase Agreement and this Ordinance and to take other action as may be required or appropriate for the performance of the duties imposed thereby or carry out the purposes and intent of this Ordinance.

ARTICLE IV

SUPPLEMENTAL ORDINANCES

The Issuer may, subject to the terms and conditions of the Indenture, pass and execute ordinances supplemental to this Ordinance which shall not be inconsistent with the terms and provisions hereof.

ARTICLE V

MISCELLANEOUS

Section 5.01. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Ordinance or the Bonds is intended or shall be construed to give to any person, other than the Issuer, the University and the Trustee, any legal or equitable right, remedy or claim under or with respect to this Ordinance

or any covenants, conditions and provisions herein contained; this Ordinance and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer, the University and the Trustee as herein provided.

Section 5.02. Severability. If any provision of this Ordinance shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 5.03. Immunity of Officers. No recourse for the payment of any part of the principal of, premium, if any, or interest on the Bonds or for the satisfaction of any liability arising from, founded upon or existing by reason of the issue, purchase or ownership of the Bonds shall be had against any official, officer, member or agent of the Council of the Issuer or the State, all such liability to be expressly released and waived as a condition of and as a part of the consideration for the issue, sale, and purchase of the Bonds.

Section 5.04. Incorporation of the Act. This Ordinance does hereby incorporate by reference, as though fully set out herein, the provisions of the Act.

Section 5.05. Repeal of Inconsistent Ordinance. Any ordinance of the City, and any part of any ordinance or resolution, inconsistent with this Ordinance is hereby repealed to the extent of such inconsistency.

Section 5.06. Publication and Effectiveness of this Ordinance. Pursuant to Article VII, Section 7, of the City Charter, this Ordinance shall be posted on the official bulletin board of the City in lieu of and in place of newspaper publication with notice of passage and such posting to be given by publication one time in the official newspaper by the Clerk. The Ordinance shall take effect and be in force 15 days from and after its passage as provided in the City Charter.

INTRODUCED BY:

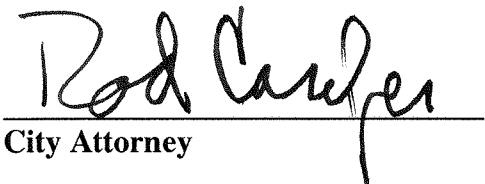
PASSED _____, 2011.

ABSENT OR NOT VOTING:

AYES: _____

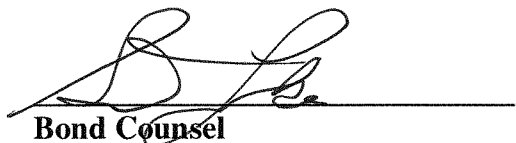
NAYS: _____

Approved as to Form:



City Attorney

CONFLICT OF INTEREST



Bond Counsel

APPROVED: _____, 2011.

Mayor

ORDINANCE NO. _____

AN ORDINANCE authorizing and providing for the issuance of not to exceed \$21,000,000 aggregate principal amount of educational facilities revenue and refunding bonds of the City of Lincoln, Nebraska.

Read First Time	_____
Read Second Time	_____
Read Third Time	_____
Passed	_____
Published in	_____
on	_____

CERTIFICATE

State of Nebraska)
 SS
County of Lancaster)

I, the undersigned, City Clerk of the City of Lincoln, Nebraska, do hereby certify that the within ordinance is the original Ordinance No. _____ as passed by the City Council of said City, as indicated above, and as approved by the Mayor of said City and as the same appears of record in my office and is now in my charge remaining as City Clerk aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand officially and affixed the seal of the City of Lincoln, Nebraska this ____ day of _____, 2011.

City Clerk of Lincoln, Nebraska